

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2024

Short-Term and Income Fund

NBI Jarislowsky Fraser Select Income Fund

Notes on forward-looking statements

This report may contain forward-looking statements concerning the Fund, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-270-3941 or 514-871-2082, by writing to us at National Bank Investments Advisory Service, 800 Saint-Jacques Street, Transit 44331, Montreal, Quebec, H3C 1A3, by visiting our website at www.nbinvestments.ca, by visiting SEDAR+'s website at www.sedarplus.ca, or by contacting your advisor. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The NBI Jarislowsky Fraser Select Income Fund's investment objective is to provide regular income and to achieve moderate capital growth by investing, directly and indirectly, in a diversified portfolio comprised primarily of Canadian fixed income and equity securities.

The portfolio manager analyzes investment-grade fixed income securities denominated in Canadian or foreign currency and invests this portion of the fund mainly in corporate and government bonds. The Fund may also invest in equity securities, such as common and preferred shares and the portfolio manager selects mainly high quality equities of Canadian issuers. The Fund may invest approximately 30% of its net assets in equity or fixed income securities of foreign issuers.

Risks

The Fund's risk level was modified from "low" to "low to medium" during the year. This change aims to more accurately reflect the Fund's actual risk level.

Results of Operations

For the twelve-month period ended December 31, 2024, the NBI Jarislowsky Fraser Select Income Fund's Advisor Series units returned 6.83% compared to 9.27% for the Fund's blended benchmark. The broad-based index, the Morningstar Canada Liquid Bond Index (CAD), returned 5.33%. Unlike the indices, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for the returns of all of the Fund's series, which may vary mainly because of fees and expenses.

The Fund's net asset value dropped by 13.92% over the period, from \$139.78 million as at December 31, 2023 to \$120.32 million as at December 31, 2024.

The decline stemmed mainly from net redemptions by unitholders of the Fund.

The global macro environment was characterized by diverging economic and political outcomes, not only for monetary and fiscal policy but also for corporate earnings, inflation and foreign exchange rates. Despite consecutive interest rate reductions of 50 basis points by the Bank of Canada, Canada's nominal and real yields were not immune to the rise in global longer-dated yields led by the rise in U.S. Treasury yields.

Global equity markets were generally strong ending the year, led primarily by U.S. equity markets following the nomination of President-elect Donald Trump and his pro-growth, domestically oriented. The Fund's stock selection in the Industrials, Energy and Financials sectors were the main contributors.

In this context, the Fund underperformed its benchmark for the period. The Fund's stock selection in the Industrials and Financials sector were among the top contributors to relative performance. The Fund's stock selection in the Consumer Staples, Energy & Information Technology sectors were among the top detractors to the fund's relative performance. The fund's relative performance. The Fund's stock selection in the Consumer Discretionary, Health Care & Information Technology sectors were among the top detractors to the fund's relative performance. Additionally, our underweight in information technology hurt our performance.

Recent Developments

To the extent that economic, political and policy divergence between the U.S. persists or intensifies with Canada and globally, including China, Europe, Japan and various emerging market countries, the financial imbalances and the potential risks provided by this divergence will likely increase risk asset volatility as well as interest rate volatility in 2025. Despite the ongoing uncertainty and geopolitical tensions, global equity markets continue to march forward, albeit narrowly. Valuations in most regions, notably the U.S., look quite elevated relative to history due in part to the expectations of an enhanced growth agenda under President-elect Trump.

The portfolio manager continues to pay attention to evaluating downside risk as sentiment is optimistic and valuations leave little margin of safety in many sectors. Specifically for Canada, although we are concerned about the negative impact of potential tariffs on the Canadian economy, a large proportion of the portfolio is composed of global leaders in industries with resilient growth and high barriers to entry while the companies that are more Canadian-focused operate in nondiscretionary sectors with strong pricing power. The resignation of the Canadian prime minister and resulting leadership uncertainty at a critical time adds risks and potential volatility. With that said, the portfolio manager believes the potential impact of tariffs and leadership transitions in Canada will have a limited impact on the portfolio.

Related Party Transactions

National Bank of Canada ("the Bank") and its affiliated companies' roles and responsibilities related to the Fund are as follows:

Fund Manager

The Fund is managed by National Bank Investments Inc. ("NBI"), which is an indirect wholly-owned subsidiary of the Bank. Therefore, NBI provides or ensures the provision of all general management and administrative services required by the Fund's current operations, including investment consulting, the arrangement of brokerage contracts for the purchase and sale of the investment portfolio, bookkeeping and other administrative services required by the Fund.

The Manager pays the operating expenses of the Fund other than its "Fund costs" (defined below) (the "variable operating expenses"), in exchange for the Fund's payment to the Manager of annual fixed-rate administration fees with respect to each series of the Fund.

The administration fees are equal to a specified percentage of the net asset value of each series of the Fund, calculated and paid in the same manner as the Fund's management fees. The variable operating expenses payable by the Manager include, but are not limited to: transfer agency and recordkeeping costs; custodial costs; accounting and valuation fees; audit fees and legal fees; costs of preparing and distributing financial reports, simplified prospectuses, annual information forms, Fund Facts, continuous disclosure material and other securityholder communications; and costs of trustee services relating to registered tax plans, as applicable.

In addition to administration fees, the Fund shall also pay certain Fund costs, namely: taxes (including, but not limited to, GST/HST and income taxes); costs of compliance with any changes to existing governmental or regulatory requirements introduced after August 1, 2013; costs of compliance with any new governmental or regulatory requirements, including any new fees introduced after August 1, 2013; interest and borrowing costs; costs related to external services that were not commonly charged in the Canadian mutual fund industry as at August 1, 2013; Independent Review Committee costs, including compensation paid to IRC members, travel expenses, insurance premiums and costs associated with their continuing education; and variable operating expenses incurred outside of the normal course of business of the Fund.

The Manager may, from time to time and at its sole discretion, decide to absorb a portion of a series' management fees, administration fees or Fund costs.

As described under the heading *Management Fees*, the Fund pays annual management fees to NBI as consideration for its services.

Portfolio Manager

The Manager has appointed National Bank Trust Inc. ("NBT"), a direct and indirect wholly-owned subsidiary of the Bank, as the portfolio manager for the Fund. A flat fee is payable annually to NBT for its management services.

Distribution and Dealer Compensation

Fund securities are offered by National Bank Direct Brokerage (a division of National Bank Financial Inc., an indirect wholly owned subsidiary of the Bank), National Bank Financial Inc. and other affiliated entities. Each month, brokers receive a commission representing a percentage of the average daily value of the securities held by their clients.

Brokerage Fees

The Fund may pay broker's commissions at market rates to a corporation affiliated with NBI. The brokerage fees paid by the Fund for the period are as follows:

	Period ended December 31, 2024
Total brokerage fees	\$5,021.52
Brokerage fees paid to National Bank Financial	\$11.55

Independent Review Committee Approvals and Recommendations

The Fund followed the standing instructions of its Independent Review Committee with respect to one or more of the following transactions:

- Purchasing or holding the securities of a related issuer, in particular, those of National Bank of Canada;
- Investing in the securities of an issuer when an entity related to the manager acts as an underwriter for the placement or at any time during the 60-day period after the end of the placement;
- Purchasing or selling securities to another investment fund managed by the manager or a company in the same group;
- Purchasing or selling debt securities on the secondary market, through related brokers that are main brokers in the Canadian debt securities market (in accordance with an exemption received from the Canadian Securities Administrators);
- Entering into foreign exchange transactions (including both spot transactions and forward transactions) with National Bank of Canada.

The manager has implemented policies and procedures to make sure that the conditions applicable to each of the above transactions are met. The applicable standing instructions require that these transactions be carried out in accordance with NBI policies, which specify, in particular, that investment decisions pertaining to these related party transactions must be made free from any influence by an entity related to NBI and without taking into account any consideration relevant to an entity related to NBI. Furthermore, the investment decisions must represent the business judgment of the securities advisor, uninfluenced by considerations other than the best interest of the Fund and must achieve a fair and reasonable result for the Fund.

Registered Plan Trust Services

NTC receives a fixed amount per registered account for services provided as trustee for registered plans.

Administrative and Operating Services

The provision of certain services was delegated by the Fund manager, NBI, to National Bank Trust Inc. ("NBT"), a direct and indirect wholly-owned subsidiary of the Bank. These include accounting, reporting and portfolio valuation services. The fees incurred for these services are paid to NBT by the Fund manager.

Management Fees

The Fund pays annual management fees to the Fund manager for its management services. The fees are calculated based on a percentage of the Fund's daily net asset value before applicable taxes and are paid on a monthly basis. Under the *Distribution* heading, expenses include the broker's compensation consisting of the maximum annual trailer fees and sales commissions paid to brokers. Under the *Other* heading, the fees relate mainly to investment management, investment advisory services, general administration and profit. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series	Management Fees	Distribution	Others [†]
Advisor Series*			
Front-end load	1.40%	53.57%	46.43%
Series E	0.65%	-	100.00%
Series F	0.65%	-	100.00%

^(*) Includes all costs related to management, investment advisory services, general administration and profit.

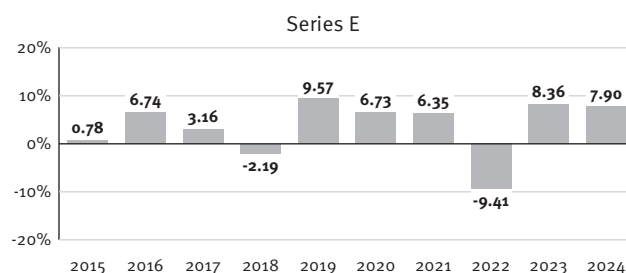
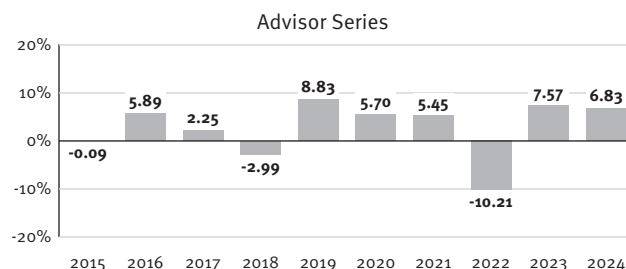
^(†) Excluding sales commissions paid on the Advisor Series with the low sales charge option, which are not included in the management fees.

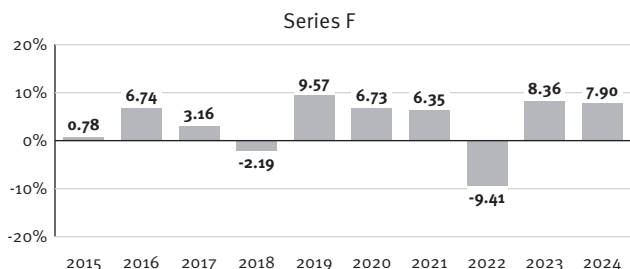
Past Performance

The performance of each series of the Fund presented below is calculated as of December 31 of each year. It assumes that all distributions made in the periods shown were reinvested in additional securities and does not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a series of a Fund does not necessarily indicate how it will perform in the future.

Annual Returns

The bar charts indicate the performance for each the Fund's series in existence greater than one year during the years shown, and illustrate how the performance has changed from year to year. They show, in percentage terms, how much an investment made on January 1 (or made commencing from the start of the series) would have grown or decreased by December 31 of that year, in the case of the Annual management report of fund performance, or by June 30, in the case of the Interim management report of fund performance.





Annual Compounded Performance

The following table shows the Fund's annual compound returns for each series in existence greater than one year and for each of the periods ended on December 31, 2024, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- Morningstar® Canada Liquid Bond Index (CAD) (75%)
- S&P/TSX Capped Composite Index (CAD) (25%)

The broad-based index is the Morningstar® Canada Liquid Bond Index (CAD).

NBI Jarislowsky Fraser Select Income Fund

	1 year	3 years	5 years	10 years	Since inception
Advisor Series¹	6.83%	1.05%	2.84%	2.76%	—
Benchmark	9.27%	2.31%	3.86%	4.04%	—
Broad-based index	5.33%	0.15%	1.33%	2.37%	—
Series E¹	7.90%	1.93%	3.75%	3.64%	—
Benchmark	9.27%	2.31%	3.86%	4.04%	—
Broad-based index	5.33%	0.15%	1.33%	2.37%	—
Series F¹	7.90%	1.93%	3.75%	3.64%	—
Benchmark	9.27%	2.31%	3.86%	4.04%	—
Broad-based index	5.33%	0.15%	1.33%	2.37%	—

¹Commencement of operations: October 7, 2010

A discussion of the Fund's relative performance in comparison to the index (or indices) can be found in the *Results of Operations* Section of this report.

Index Descriptions

The **Morningstar Canada Liquid Bond Index** offers diversified exposure to federal debt securities guaranteed by the federal government, to provincial debt securities guaranteed by the provincial government and to corporate debt securities denominated in Canadian dollars in order to maintain liquidity. Small issuances, issuances with limited terms and issuances with credit ratings lower than those of investment-grade securities are excluded from the index.

The **S&P/TSX Capped Composite Index** is a subset of the S&P/TSX and reflects share price fluctuations of a group of companies listed on the Toronto Stock Exchange (TSX) and weighted by market capitalization.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the accounting periods shown.

Advisor Series

Net Assets per Unit⁽¹⁾

Commencement of operations: October 7, 2010

Accounting Period Ended	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	9.17	8.87	10.33	10.31	10.15
Increase (Decrease) from Operations (\$)					
Total revenue	0.32	0.31	0.28	0.28	0.31
Total expenses	(0.15)	(0.15)	(0.16)	(0.18)	(0.17)
Realized gains (losses)	0.25	0.08	(0.07)	0.36	0.10
Unrealized gains (losses)	0.17	0.40	(1.14)	0.09	0.32
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.59	0.64	(1.09)	0.55	0.56
Distributions (\$)					
From net investment income (excluding dividends)	0.08	0.07	0.04	0.01	0.01
From dividends	0.09	0.09	0.08	0.10	0.12
From capital gains	0.04	—	—	0.12	—
Return of capital	0.20	0.20	0.29	0.31	0.27
Total Annual Distributions (\$) ⁽³⁾	0.41	0.36	0.41	0.54	0.40
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	9.37	9.17	8.87	10.33	10.31

Ratios and Supplemental Data

Accounting Period Ended	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	65,152	75,967	95,732	126,844	113,393
Number of units outstanding ⁽⁵⁾	6,949,992	8,285,591	10,792,453	12,277,253	10,993,341
Management expense ratio (%) ⁽⁶⁾	1.69	1.69	1.69	1.71	1.70
Management expense ratio before waivers or absorptions (%)	1.70	1.71	1.71	1.73	1.71
Trading expense ratio (%) ⁽⁷⁾	—	0.01	0.01	0.02	0.01
Portfolio turnover rate (%) ⁽⁸⁾	37.52	39.93	60.63	54.06	47.42
Net asset value per unit (\$)	9.37	9.17	8.87	10.33	10.31

Series F/E

Net Assets per Unit⁽¹⁾

Commencement of operations: October 7, 2010

Accounting Period Ended	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Net Assets, Beginning of Accounting Period Shown ⁽⁴⁾	10.27	9.86	11.38	11.26	10.99
Increase (Decrease) from Operations (\$)					
Total revenue	0.36	0.34	0.31	0.31	0.34
Total expenses	(0.09)	(0.08)	(0.09)	(0.10)	(0.09)
Realized gains (losses)	0.28	0.10	(0.09)	0.39	0.11
Unrealized gains (losses)	0.20	0.43	(1.25)	0.10	0.32
Total Increase (Decrease) from Operations (\$) ⁽²⁾	0.75	0.79	(1.12)	0.70	0.68
Distributions (\$)					
From net investment income (excluding dividends)	0.18	0.17	0.14	0.10	0.10
From dividends	0.10	0.09	0.08	0.12	0.14
From capital gains	0.05	—	—	0.13	—
Return of capital	0.13	0.14	0.23	0.23	0.20
Total Annual Distributions (\$) ⁽³⁾	0.46	0.40	0.45	0.58	0.44
Net Assets, End of Accounting Period Shown (\$) ⁽⁴⁾	10.60	10.27	9.86	11.38	11.26

Ratios and Supplemental Data

Accounting Period Ended	2024 December 31	2023 December 31	2022 December 31	2021 December 31	2020 December 31
Total net asset value (ooo's of \$) ⁽⁵⁾	55,166	63,816	63,883	81,890	77,128
Number of units outstanding ⁽⁵⁾	5,206,362	6,210,814	6,481,973	7,196,149	6,848,850
Management expense ratio (%) ⁽⁶⁾	0.84	0.84	0.84	0.84	0.85
Management expense ratio before waivers or absorptions (%)	0.85	0.85	0.85	0.85	0.86
Trading expense ratio (%) ⁽⁷⁾	—	0.01	0.01	0.02	0.01
Portfolio turnover rate (%) ⁽⁸⁾	37.52	39.93	60.63	54.06	47.42
Net asset value per unit (\$)	10.60	10.27	9.86	11.38	11.26

- ⁽¹⁾ This information is derived from the Fund's Annual Audited Financial Statements. The net assets per unit presented in the financial statements might differ from the net asset value calculated for fund pricing purposes. The differences are explained in the notes to the financial statements.
- ⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the average number of units outstanding over the accounting period.
- ⁽³⁾ Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- ⁽⁴⁾ The net assets are calculated in accordance with IFRS.
- ⁽⁵⁾ This information is provided as at the last day of the accounting period shown.
- ⁽⁶⁾ Management expense ratio is based on total expenses including sales taxes for the accounting period indicated (excluding commission, other portfolio transaction costs and withholding taxes) and is expressed as an annualized percentage of daily average net value during the accounting period. The management expense ratio includes, if necessary, the management expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- ⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the accounting period. The trading expense ratio includes, if necessary, the trading expenses from its underlying funds, as described in Article 15.2 of Regulation 81-106.
- ⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund portfolio's manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the accounting period. The higher a Fund's portfolio turnover rate in an accounting period, the greater the trading costs payable by the Fund in the accounting period, and the greater the chance of an investor receiving taxable capital gains in the accounting period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Summary of Investment Portfolio

As of December 31, 2024

Portfolio Top Holdings

	% of Net Asset Value
Province of Ontario, 2.80%, due June 2, 2048.....	2.9
Canada Housing Trust, 1.55%, due December 15, 2026.....	2.5
Province of Ontario, 3.75%, due December 2, 2053.....	2.1
Cash, Money Market and Other Net Assets.....	1.8
Wells Fargo & Co., 3.87%, due May 21, 2025.....	1.8
Province of Ontario, 2.90%, due June 2, 2028.....	1.6
Royal Bank of Canada, 4.61%, due July 26, 2027.....	1.5
Canadian Imperial Bank of Commerce, 4.95%, due June 29, 2027.....	1.4
Government of Canada, 1.25%, due March 1, 2025.....	1.4
Province of Quebec, 5.00%, due December 1, 2041.....	1.4
Royal Bank of Canada.....	1.3
Brookfield Corp.....	1.3
TC Energy Corp.....	1.3
Bank of Montreal, 4.31%, due June 1, 2027.....	1.2
Scotiabank.....	1.2
Province of Alberta, 4.15%, due June 1, 2033.....	1.2
Province of New Brunswick, 3.10%, due August 14, 2048.....	1.2
Unilever PLC, ADR.....	1.2
Bank of Montreal.....	1.1
Government of Canada, 3.50%, due September 1, 2029.....	1.1
Heathrow Funding Ltd., 3.66%, due January 13, 2031.....	1.1
UnitedHealth Group Inc.....	1.1
Enbridge Inc.....	1.0
Government of Canada, 2.00%, due December 1, 2051.....	1.0
National Grid Electricity Transmission PLC, 2.30%, due June 22, 2029.....	1.0
	35.7
Net asset value.....	\$120,317,996

Asset Mix

	% of Net Asset Value
Provincial Bonds.....	25.8
Corporate Bonds.....	25.6
Canadian Equity.....	21.0
Federal Bonds.....	13.4
US Bonds.....	3.4
International Equity.....	2.8
Foreign Bonds.....	2.7
US Equity.....	2.0
Municipal Bonds.....	1.5
Cash, Money Market and Other Net Assets.....	1.8

Sector Allocation

	% of Net Asset Value
Provincial Bonds.....	25.9
Corporate Bonds.....	25.6
Federal Bonds.....	13.4
Financials.....	8.9
Energy.....	3.8
Industrials.....	3.6
US Bonds.....	3.4
Consumer Staples.....	2.7
Foreign Bonds.....	2.7
Health Care.....	2.0
Consumer Discretionary.....	1.9
Municipal Bonds.....	1.5
Materials.....	1.1
Information Technology.....	1.0
Communication Services.....	0.7
Cash, Money Market and Other Net Assets.....	1.8

The above table shows the top 25 positions held by the Fund. In the case of a Fund with fewer than 25 positions, all positions are indicated.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment Fund. A quarterly update is available. Please consult our website at www.nbinvestments.ca.

If this investment Fund invests in other investment funds, please consult the prospectus and other information about the underlying investment funds on the website indicated above or on SEDAR+'s website at www.sedarplus.ca.